

State of Arizona  
Senate  
Forty-seventh Legislature  
Second Regular Session  
2006

# SENATE BILL 1007

AN ACT

AMENDING SECTIONS 33-1248, 33-1258, 33-1804 AND 33-1805, ARIZONA REVISED  
STATUTES; RELATING TO CONDOMINIUMS AND PLANNED COMMUNITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 33-1248, Arizona Revised Statutes, is amended to  
3 read:

4 33-1248. Open meetings: exceptions

5 A. Notwithstanding any provision in the declaration, bylaws or other  
6 documents to the contrary, all meetings of the association and board of  
7 directors are open to all members of the association or any person designated  
8 by a member in writing as the member's representative and all members or  
9 designated representatives so desiring shall be permitted to attend and speak  
10 at an appropriate time during the deliberations and proceedings. The board  
11 may place reasonable time restrictions on those persons speaking during the  
12 meeting but shall permit a member or a member's designated representative to  
13 speak before the board takes formal action on an item under discussion in  
14 addition to any other opportunities to speak. The board shall provide for a  
15 reasonable number of persons to speak on each side of an issue. Any portion  
16 of a meeting may be closed only if that portion of the meeting is limited to  
17 consideration of one or more of the following:

18 1. Legal advice from an attorney for the board or the association. On  
19 final resolution of any matter for which the board received legal advice or  
20 that concerned pending or contemplated litigation, the board may disclose  
21 information about that matter in an open meeting except for matters that are  
22 required to remain confidential by the terms of a settlement agreement or  
23 judgment.

24 2. Pending or contemplated litigation.

25 3. Personal, health ~~and~~ OR financial information about an individual  
26 member of the association, an individual employee of the association or an  
27 individual employee of a contractor for the association, INCLUDING RECORDS OF  
28 THE ASSOCIATION DIRECTLY RELATED TO THE PERSONAL, HEALTH OR FINANCIAL  
29 INFORMATION.

30 4. Matters relating to the job performance of, compensation of, health  
31 records of or specific complaints against an individual employee of the  
32 association or an individual employee of a contractor of the association who  
33 works under the direction of the association.

34 B. Notwithstanding any provision in the condominium documents, all  
35 meetings of the association and the board shall be held in this state. A  
36 meeting of the association shall be held at least once each year. Special  
37 meetings of the association may be called by the president, by a majority of  
38 the board of directors or by unit owners having at least twenty-five per  
39 cent, or any lower percentage specified in the bylaws, of the votes in the  
40 association. Unless otherwise provided in the articles or the bylaws of the  
41 association, not fewer than ten nor more than fifty days in advance of any  
42 meeting of the unit owners, the secretary shall cause notice to be hand  
43 delivered or sent prepaid by United States mail to the mailing address of  
44 each unit or to any other mailing address designated in writing by the unit  
45 owner. The notice of any meeting of the unit owners shall state the time and

1 place of the meeting. The notice of any special meeting of the unit owners  
2 shall also state the purpose for which the meeting is called, including the  
3 general nature of any proposed amendment to the declaration or bylaws, any  
4 changes in assessments that require approval of the unit owners and any  
5 proposal to remove a director or officer. The failure of any unit owner to  
6 receive actual notice of a meeting of the unit owners does not affect the  
7 validity of any action taken at that meeting.

8 C. Unless otherwise provided in the articles or bylaws of the  
9 association, for meetings of the board of directors that are held after the  
10 termination of declarant control of the association, notice to unit owners of  
11 meetings of the board of directors shall be given at least forty-eight hours  
12 in advance of the meeting by newsletter, conspicuous posting or any other  
13 reasonable means as determined by the board of directors. An affidavit of  
14 notice by an officer of the association is prima facie evidence that notice  
15 was given as prescribed by this section. Notice to unit owners of meetings  
16 of the board of directors is not required if emergency circumstances require  
17 action by the board before notice can be given. Any notice of a board  
18 meeting shall state the time and place of the meeting. The failure of any  
19 unit owner to receive actual notice of a meeting of the board of directors  
20 does not affect the validity of any action taken at that meeting.

21 D. This section does not apply to timeshare plans or associations that  
22 are subject to chapter 20 of this title.

23 Sec. 2. Section 33-1258, Arizona Revised Statutes, is amended to read:  
24 33-1258. Association financial and other records; applicability

25 A. Except as provided in subsection B of this section, all financial  
26 and other records of the association shall be made reasonably available for  
27 examination by any member or any person designated by the member in writing  
28 as the member's representative. **THE ASSOCIATION SHALL NOT CHARGE A MEMBER OR**  
29 **ANY PERSON DESIGNATED BY THE MEMBER IN WRITING FOR MAKING MATERIAL AVAILABLE**  
30 **FOR REVIEW. THE ASSOCIATION SHALL HAVE TEN BUSINESS DAYS TO FULFILL A**  
31 **REQUEST FOR EXAMINATION. ON REQUEST FOR PURCHASE OF COPIES OR RECORDS BY ANY**  
32 **MEMBER OR ANY PERSON DESIGNATED BY THE MEMBER IN WRITING AS THE MEMBER'S**  
33 **REPRESENTATIVE, THE ASSOCIATION SHALL HAVE TEN BUSINESS DAYS TO PROVIDE**  
34 **COPIES OF THE REQUESTED RECORDS. AN ASSOCIATION MAY CHARGE A FEE FOR MAKING**  
35 **COPIES OF NOT MORE THAN FIFTEEN CENTS PER PAGE.**

36 B. Books and records kept by or on behalf of the association and the  
37 board may be withheld from disclosure to the extent that the portion withheld  
38 relates to any of the following:

39 1. Privileged communication between an attorney for the association  
40 and the association.

41 2. Pending ~~or contemplated~~ litigation.

42 3. Meeting minutes or other records of a session of a board meeting  
43 that is not required to be open to all members pursuant to section 33-1248.

1           4. Personal, health ~~and~~ OR financial records of an individual member  
2 of the association, an individual employee of the association or an  
3 individual employee of a contractor for the association, **INCLUDING RECORDS OF**  
4 **THE ASSOCIATION DIRECTLY RELATED TO THE PERSONAL, HEALTH OR FINANCIAL**  
5 **INFORMATION.**

6           5. Records relating to the job performance of, compensation of, health  
7 records of or specific complaints against an individual employee of the  
8 association or an individual employee of a contractor of the association who  
9 works under the direction of the association.

10          C. The association shall not be required to disclose financial and  
11 other records of the association if disclosure would violate any state or  
12 federal law.

13          D. This section does not apply to an association for a timeshare plan  
14 that is subject to chapter 20 of this title.

15          Sec. 3. Section 33-1804, Arizona Revised Statutes, is amended to read:  
16 **33-1804. Open meetings; exceptions**

17          A. Notwithstanding any provision in the declaration, bylaws or other  
18 documents to the contrary, all meetings of the association and board of  
19 directors are open to all members of the association or any person designated  
20 by a member in writing as the member's representative and all members or  
21 designated representatives so desiring shall be permitted to attend and speak  
22 at an appropriate time during the deliberations and proceedings. The board  
23 may place reasonable time restrictions on those persons speaking during the  
24 meeting but shall permit a member or member's designated representative to  
25 speak before the board takes formal action on an item under discussion in  
26 addition to any other opportunities to speak. The board shall provide for a  
27 reasonable number of persons to speak on each side of an issue. Any portion  
28 of a meeting may be closed only if that closed portion of the meeting is  
29 limited to consideration of one or more of the following:

30           1. Legal advice from an attorney for the board or the association. On  
31 final resolution of any matter for which the board received legal advice or  
32 that concerned pending or contemplated litigation, the board may disclose  
33 information about that matter in an open meeting except for matters that are  
34 required to remain confidential by the terms of a settlement agreement or  
35 judgment.

36           2. Pending or contemplated litigation.

37           3. Personal, health ~~and~~ OR financial information about an individual  
38 member of the association, an individual employee of the association or an  
39 individual employee of a contractor for the association, **INCLUDING RECORDS OF**  
40 **THE ASSOCIATION DIRECTLY RELATED TO THE PERSONAL, HEALTH OR FINANCIAL**  
41 **INFORMATION.**

42           4. Matters relating to the job performance of, compensation of, health  
43 records of or specific complaints against an individual employee of the  
44 association or an individual employee of a contractor of the association who  
45 works under the direction of the association.

1           B. Notwithstanding any provision in the community documents, all  
2 meetings of the association and the board shall be held in this state. A  
3 meeting of the association shall be held at least once each year. Special  
4 meetings of the association may be called by the president, by a majority of  
5 the board of directors or by members having at least twenty-five per cent, or  
6 any lower percentage specified in the bylaws, of the votes in the  
7 association. Unless otherwise provided in the articles or bylaws of the  
8 association, not fewer than ten nor more than fifty days in advance of any  
9 meeting of the members the secretary shall cause notice to be hand-delivered  
10 or sent prepaid by United States mail to the mailing address for each lot,  
11 parcel or unit owner or to any other mailing address designated in writing by  
12 a member. The notice shall state the time and place of the meeting. A  
13 notice of any special meeting of the members shall also state the purpose for  
14 which the meeting is called, including the general nature of any proposed  
15 amendment to the declaration or bylaws, changes in assessments that require  
16 approval of the members and any proposal to remove a director or an  
17 officer. The failure of any member to receive actual notice of a meeting of  
18 the members does not affect the validity of any action taken at that meeting.

19           C. Unless otherwise provided in the articles or bylaws of the  
20 association, for meetings of the board of directors that are held after the  
21 termination of declarant control of the association, notice to members of  
22 meetings of the board of directors shall be given at least forty-eight hours  
23 in advance of the meeting by newsletter, conspicuous posting or any other  
24 reasonable means as determined by the board of directors. An affidavit of  
25 notice by an officer of the corporation is prima facie evidence that notice  
26 was given as prescribed by this section. Notice to members of meetings of  
27 the board of directors is not required if emergency circumstances require  
28 action by the board before notice can be given. Any notice of a board  
29 meeting shall state the time and place of the meeting. The failure of any  
30 member to receive actual notice of a meeting of the board of directors does  
31 not affect the validity of any action taken at that meeting.

32           Sec. 4. Section 33-1805, Arizona Revised Statutes, is amended to read:

33           33-1805. Association financial and other records

34           A. Except as provided in subsection B of this section, all financial  
35 and other records of the association shall be made reasonably available for  
36 examination by any member or any person designated by the member in writing  
37 as the member's representative. THE ASSOCIATION SHALL NOT CHARGE A MEMBER OR  
38 ANY PERSON DESIGNATED BY THE MEMBER IN WRITING FOR MAKING MATERIAL AVAILABLE  
39 FOR REVIEW. THE ASSOCIATION SHALL HAVE TEN BUSINESS DAYS TO FULFILL A  
40 REQUEST FOR EXAMINATION. ON REQUEST FOR PURCHASE OF COPIES OR RECORDS BY ANY  
41 MEMBER OR ANY PERSON DESIGNATED BY THE MEMBER IN WRITING AS THE MEMBER'S  
42 REPRESENTATIVE, THE ASSOCIATION SHALL HAVE TEN BUSINESS DAYS TO PROVIDE  
43 COPIES OF THE REQUESTED RECORDS. AN ASSOCIATION MAY CHARGE A FEE FOR MAKING  
44 COPIES OF NOT MORE THAN FIFTEEN CENTS PER PAGE.

1           B. Books and records kept by or on behalf of the association and the  
2 board may be withheld from disclosure to the extent that the portion withheld  
3 relates to any of the following:

4           1. Privileged communication between an attorney for the association  
5 and the association.

6           2. Pending ~~or contemplated~~ litigation.

7           3. Meeting minutes or other records of a session of a board meeting  
8 that is not required to be open to all members pursuant to section 33-1804.

9           4. Personal, health ~~and~~ OR financial records of an individual member  
10 of the association, an individual employee of the association or an  
11 individual employee of a contractor for the association, **INCLUDING RECORDS OF**  
12 **THE ASSOCIATION DIRECTLY RELATED TO THE PERSONAL, HEALTH OR FINANCIAL**  
13 **INFORMATION.**

14           5. Records relating to the job performance of, compensation of, health  
15 records of or specific complaints against an individual employee of the  
16 association or an individual employee of a contractor of the association who  
17 works under the direction of the association.

18           C. The association shall not be required to disclose financial and  
19 other records of the association if disclosure would violate any state or  
20 federal law.